BIOMARK DIAGNOSTICS INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine months ended December 31, 2020 and 2019

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor. The accompanying unaudited condensed consolidated interim financial statements have been prepared by and are the responsibility of the Company’s management. The Company’s independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for review of condensed consolidated interim financial statements by an entity’s auditor.

BIOMARK DIAGNOSTICS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	Note	December 31, 2020	March 31, 2020
		$	$
ASSETS			
Current			
Cash		357,456	611,803
Amounts receivable		20,805	16,117
Prepaid expenses		20,304	-
		398,565	627,920
Long-term investments	5	3,200	-
Equipment and tools		2,430	2,430
Right-of-use asset	6	-	6,945
		404,195	637,295
LIABILITIES			
Current			
Accounts payable and accrued liabilities		35,897	111,794
Lease liability	6	-	8,664
Due to related parties	4	916,461	955,964
		952,358	1,076,422
Long-term government loans		100,000	-
		1,052,358	1,076,422
SHAREHOLDERS' DEFICIENCY			
Share capital	7	5,738,394	5,433,171
Share subscriptions received	7	(105,168)	(144,668)
Contributed surplus		1,725,247	1,768,793
Deficit		(8,006,636)	(7,496,423)
		(648,163)	(439,127)
		404,195	637,295

Nature and Operations and Going Concern (Note 1)
Commitments (Note 10)

Approved by the Board on February 26, 2021

"Rashid Ahmed"	*"Dr. Bram Ramjiawan"*
Rashid Ahmed, Director	Dr. Bram Ramjiawan, Director

BIOMARK DIAGNOSTICS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

		Three months ended		**Nine months ended**	
	Note	**December 31, 2020**	December 31, 2019	**December 31, 2020**	December 31, 2019
		$	$	**$**	$
Revenue		**-**	263,283	**-**	263,283
Expenses:					
Consulting fees	4	**87,500**	144,842	**252,500**	309,842
Depreciation		**992**	-	**6,945**	-
Filing and transfer agent fees		**10,508**	3,921	**46,154**	14,436
Office and miscellaneous		**9,892**	13,768	**24,590**	31,965
Professional fees		**19,876**	33,620	**79,508**	59,645
Research and other		**64,646**	4,390	**83,994**	28,170
Share-based compensation	7	**-**	733,322	**12,602**	733,322
Travel		**775**	2,311	**6,535**	15,276
		194,189	936,174	**512,828**	1,192,656
Other income:					
Gain on settlement of debt		**-**	-	**(2,615)**	-
Net loss and comprehensive loss		**(194,189)**	(672,891)	**(510,213)**	(929,373)
Basic and diluted loss per share		**$ (0.00)**	$ (0.01)	**$ (0.01)**	$ (0.01)
Weighted average number of common shares outstanding		**72,867,051**	68,809,886	**72,867,051**	68,809,886

BIOMARK DIAGNOSTICS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	Nine months ended	
	December 31, 2020	December 31, 2019
	$	$
Operating Activities		
Net loss	(510,213)	(929,373)
Items not affecting cash:		
Share-based compensation	12,602	733,322
Consulting service paid in shares	-	5,999
Depreciation	6,945	-
Debt settlement in shares	-	297,000
Gain on debt settlement	(2,615)	-
	(493,281)	106,948
Changes in non-cash working capital items related to operations:		
Amounts receivable	(4,688)	(3,114)
Prepaid expenses	(20,304)	169
Accounts payable and accrued liabilities	(73,282)	(40,814)
Cash used in operating activities	(591,555)	63,189
Investing Activities		
Purchase of investments	(3,200)	-
Purchase of furniture and fixtures	-	(790)
Cash used by investing activities	(3,200)	(790)
Financing Activities		
Advances from related parties	267,941	275,625
Repayment of advances to related parties	(307,444)	(420,200)
Repayment of lease liability	(8,664)	-
Issue of common shares, net of issuance costs	82,500	712,747
Exercise of warrants	166,575	307,118
Share subscriptions received	39,500	(233,018)
Proceeds from long-term government loans	100,000	-
Cash provided by financing activities	340,408	642,272
Change in cash	(254,347)	704,671
Cash, beginning	611,803	19,994
Cash, ending	357,456	724,665
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year:		
Interest	-	-
Income taxes	-	-
Non-cash transaction		
Shares issued for services (Note 7)		

BIOMARK DIAGNOSTICS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	Number of Shares	Share Capital	Share Subscriptions Received	Contributed Surplus	Deficit	Total
		$	$	$	$	$
Balance, March 31, 2019	65,015,119	4,197,824	52,600	811,407	(6,281,141)	(1,219,310)
Shares issued for cash	3,661,157	772,347	(111,068)	-	-	661,279
Shares issued for debt	1,570,000	247,000	-	-	-	247,000
Share issued for service	19,998	5,999	-	-	-	5,999
Share issuance costs	-	(10,218)	-	618	-	(9,600)
Exercise of warrants	2,047,455	307,118	(121,950)	-	-	185,168
Share-based compensation	-	-	-	733,322	-	733,322
Comprehensive loss	-	-	-	-	(929,373)	(929,373)
Balance, December 31, 2019	72,313,729	5,520,070	(180,418)	1,545,347	(7,210,514)	(325,515)
Shares issued for cash, net	-	(97,054)	33,800	96,028	-	32,774
Shares issued for debt	-	15,000	-	-	-	15,000
Share-based compensation	-	-	-	122,573	-	122,573
Warrants exercised	-	-	1,950	-	-	1,950
Warrants issued - agents	-	(4,845)	-	4,845	-	-
Comprehensive loss	-	-	-	-	(285,909)	(285,909)
Balance, March 31, 2020	72,313,729	5,433,171	(144,668)	1,768,793	(7,496,423)	(439,127)
Share subscription received	-	-	39,500	-	-	39,500
Exercise of options	550,000	107,598	-	(25,098)	-	82,500
Exercise of warrants	1,110,500	197,625	-	(31,050)	-	166,575
Share-based compensation	-	-	-	12,602	-	12,602
Comprehensive loss	-	-	-	-	(510,213)	(510,213)
Balance, December 31, 2020	73,974,229	5,738,394	(105,168)	1,725,247	(8,006,636)	(648,163)

1. Nature and Operations and Going Concern

BioMark Diagnostics Inc. (“BioMark Diagnostics” or the “Company”) was incorporated on June 19, 2014 under the Business Corporation Act of British Columbia. The head office of the Company is 130 – 3851 Shell Rd, Richmond, British Columbia, V6X 2W2. The ultimate parent of BioMark Diagnostics is BioMark Technologies Inc. (“BTI”), which is located at the same address as the Company.

The Company is developing its advanced stage cancer diagnostic business. Biomark Diagnostics’ cancer diagnostics technology platform leverages "Omics" and machine learning which allows for early cancer detection. BioMark Diagnostics is currently focused on bringing its cancer diagnostic kits and detection solution to commercialization standards. The Company is currently listed for trading on the Canadian Securities Exchange under the symbol “BUX”, OTC Market under the symbol “BMKDF” and Frankfurt Stock Exchange under the symbol “20B”.

These consolidated financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable period of time. As at December 31, 2020, the Company had accumulated deficit of $8,003,820. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. The Company’s ability to continue its operations is uncertain and is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors and generating profitable operations in the future. In the event that additional financial support is not received or operating profits are not generated, the carrying values of the Company’s assets may be adversely affected.

These consolidated financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a forced liquidation. These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds. Management continues to monitor the situation.

2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) and in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting. These condensed consolidated interim financial statements should be read in conjunction with the Company’s financial statements for the year ended March 31, 2020.

2. Basis of Preparation (continued)

Basis of Measurement and Consolidation
The consolidated interim financial statements have been prepared on an accrual basis and are based on historical costs, except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below.

These consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries, Biomark Cancer Systems Inc. ("Biomark Cancer") and BioMark Diagnostic Solutions Inc. ("BioMark Diagnostic Solutions"). Biomark Cancer was incorporated on February 27, 2014 under the Business Corporation Act of British Columbia. BioMark Diagnostic Solutions was incorporated on August 17, 2020 under the Business Corporation Act of Quebec. All material inter-company balances and transactions have been eliminated upon consolidation.

The consolidated interim financial statements are presented in Canadian dollars which is also the functional currency for both Biomark Diagnostics, Biomark Cancer and BioMark Diagnostic Solutions.

3. Significant Accounting Policies

Significant Estimates and Assumptions
The preparation of these consolidated interim financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The more significant areas are as follows:

- the estimates and assumptions used in the share-based payments; and
- the fair value measurements for financial instruments

Significant Judgements
The preparation of consolidated interim financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. Actual results may differ from these estimates.

Significant areas where management's judgment has been applied include:

- Classifying categories of financial assets and financial liabilities in accordance with IFRS 9, Financial Instruments;
- Evaluating if the criteria for recognition of provisions and contingencies are met in accordance with IAS 37, Provisions, Contingent liabilities and Contingent assets; and
- The assessment of the Company's ability to continue as a going concern, which is described in Note 1.

Cash and cash equivalents
The Company considers unrestricted cash on hand, in trust, in banks, in term deposits and commercial paper with original maturities of three months or less as cash and cash equivalents.

3. Significant Accounting Policies (continued)

Comprehensive loss
Comprehensive loss is the change in the Company's shareholders' equity that results from transactions and other events from other than the Company's shareholders. Other comprehensive income/loss includes items that would not normally be included in comprehensive loss but excluded from net loss, such as unrealized gains and losses on investments measured as fair value through other comprehensive income ("FVOCI").

Long-term investments
These financial statements include the Company's 45% investment in Bio-Stream Diagnostic Inc. ("Bio Stream"), which are accounted for using the equity method. Under this method, the investments are initially carried at cost and are adjusted annually to reflect the Company's share of the investees' income or loss.

Loss per share
The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Share issue costs
Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to expenses.

Intellectual properties
Intellectual properties consist of patents and trademarks acquired from Biomark Technologies. Research costs are expensed as incurred. Development costs are expensed as incurred unless they meet certain criteria for deferral and amortization. The Company assesses whether it has met the relevant criteria for deferral and amortization at each reporting date.

Share-based compensation
Stock options granted to employees, consultants or directors are measured at fair value at the grant date and expensed over the vesting period with a corresponding increase to contributed surplus. Upon the exercise of the stock options, consideration paid together with the amount previously recognized in contributed surplus is recorded as an increase to share capital.

Warrants issued in equity financing transactions
The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate resource properties. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are assigned value based on the residual value method and included in the share warrant reserve. Warrants that are issued as payment for an agency fee or other transactions costs are accounted for as share-based payments.

3. Significant Accounting Policies (continued)

Impairment of tangible and intangible assets
At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Financial instruments
The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). Financial assets are initially measured at fair value plus, in the case of financial assets not at fair value through profit and loss ("FVTPL") transaction costs.

Financial assets are subsequently measured at either:

(i) amortized cost;
(ii) fair value through other comprehensive income ("FVTOCI"); or
(iii) at fair value through profit or loss ("FVTPL").

Financial liabilities are initially measured at fair value less, in the case of financial liabilities not at FVTPL, directly attributable transaction costs. Financial liabilities are subsequently measured at amortized cost.

The following table summarizes the classification of the Company's financial instruments under IFRS 9:

	IFRS 9 Classification
Financial assets	
Cash and cash equivalents	FVTPL
Financial liabilities	
Accounts payable	Amortized cost
Due to related parties	Amortized cost

IFRS 9 uses an expected credit loss impairment model. The impairment model is applicable to financial assets measured at amortized cost where any expected future credit losses are provided for, irrespective of whether a loss event has occurred as at the reporting date.

3. Significant Accounting Policies (continued)

Impairment

Financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against the assets impaired. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

Non-financial assets with finite lives are tested for impairment when events or changes in circumstances indicate that their carrying amounts may not be recoverable. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment. Any impairment loss is recognized in earnings or the results of discontinued operations, as appropriate, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash-generating units" or "CGUs"). The Company evaluates impairment losses other than goodwill impairment, for potential reversals, when events or changes in circumstances warrant such consideration.

Revenue recognition

The Company earns revenue from the licensing of its intellectual property to other parties.

Licences for the Company's intellectual property provide the customer with a right to use the intellectual property as they exist when made available to the customer. Revenue from licenses is recognized upfront at the point in time when the intellectual property is made available to the customer and upon the achievement of subsequent milestones as set out in the contract. At present, the Company does not have any licensing agreements where updates or services are provided for no additional charge.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Income taxes

Income tax on profit or loss comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the period end date, and includes any adjustments to tax payable or receivable in respect of previous years.

3. Significant Accounting Policies (continued)

Income taxes (continued)

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except for temporary differences in assets and liabilities arising in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, transactions relating to investments in jointly controlled entities to the extent that they will not reverse in the foreseeable future, and transactions arising on the initial recognition of goodwill. Deferred tax is recognized at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

A deferred tax assets is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

New accounting standards adopted effective April 1, 2019

On April 1, 2019, the Company adopted IFRS 16, Leases ("IFRS 16") which replaced IAS 17, Leases and IFRIC 4, Determining Whether an Arrangement Contains a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applied in IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less) and leases of low-value assets.

The Company applied IFRS 16 using the modified retrospective method. Under this method, financial information was not restated and continues to be reported under the accounting standards in effect for those periods. The Company recognizes lease liabilities related to its lease commitments for its office lease. The lease liabilities are measured at the present value of the remaining lease payments, discounted using the Company's estimated incremental borrowing rate as at April 1, 2019, the date of initial application, which resulted in no adjustment to the opening balance of deficit. The associated right-of-use assets are measured at the lease liabilities amount, plus prepaid lease payments made by the Company. The Company has implemented the following accounting policies permitted under the new standard:

- leases of low dollar value will continue to be expensed as incurred; and
- the Company will not apply any grandfathering practical expedients.

3. Significant Accounting Policies (continued)

New accounting policy for leases under IFRS 16

The following is the accounting policy for leases as of April 1, 2019 upon adoption of IFRS 16:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement exists, and if the Company has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit or loss.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit or loss on a straight-line basis over the lease term.

(Stated in Canadian Dollars)

3. Significant Accounting Policies (continued)

New accounting standards issued but not yet effective

In October 2018, the IASB issued amendments to IFRS 3, Definition of a Business that narrowed and clarified the definition of a business. The amendments permit a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business. The amendments are effective January 1, 2020 with earlier adoption permitted. The amendments apply to business combinations after the date of adoption. The Company will prospectively adopt the amendments on April 1, 2020 and anticipates this standard will not have a material impact on the consolidated financial statements.

In October 2018, the IASB issued amendments to IAS 1, Presentation of Financial Statements and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The amendments make minor changes to the definition of the term "material" and align the definition across all IFRS Standards. Materiality is used in making judgments related to the preparation of consolidated financial statements. The amendments are effective January 1, 2020 with earlier adoption permitted. The Company will prospectively adopt the amendments on April 1, 2020 and anticipates this standard will not have a material impact on the consolidated financial statements.

4. Related Parties Transactions and Balances

During the period ended December 31, 2020, the Company has the following transactions with and balances owed to BTI:

	$
Balance, March 31, 2019	159,113
Company expenses paid on behalf BTI	(5,165)
Cash repayments	(9,200)
Balance, March 31, 2020	144,748
Company expenses paid on behalf of the Company	(33,628)
Cash repayments	(3,000)
Balance, December 31, 2020	108,120

On May 14, 2014, the Company entered a General Service Agreement (the “Service Agreement”) with BTI. Both the Company and BTI are managed by the Chief Executive Officer (“CEO”) of the Company. According to the Service Agreement, the Company engaged BTI to provide important services that include continuation of research and development, establishing a framework quality management system, intellectual property refinement and filing, establish protocols with key investigators, linking platforms that the Company can leverage, engage in territorial business development from relationships that BTI developed over the years, supplier validation and review, operating capital and other related functions (the “Services”).

BTI uses subcontractors to perform some of its services. The Company will pay management fees equivalent to cost plus a 25% administration fee to BTI and payable upon completion of the Services. For the period ended December 31, 2020, the Company paid $nil to BTI as administration fees (2019 - $nil). BTI holds approximately 55.43% of the common shares of the Company as at December 31, 2020 (2019 – 56.70%). The CEO owns more than 10% interest in the Company. The term of this Service Agreement will remain in full force and effect indefinitely until terminated as provided in the Service Agreement. In the event that either party wishes to terminate this Service Agreement, that each party will be required to provide 30 days' notice to the other party.

(Stated in Canadian Dollars)

4. Related Parties Transactions and Balances (continued)

Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members. Short-term key management compensation consists of the following:

	December 31, 2020	December 31, 2019
	$	$
Transactions		
Consulting fees:		
CEO and a company controlled by the CEO	180,000	180,000
Interim CFO	72,500	82,500
	252,500	262,500

As at December 31, 2020, the Company has $767,445 (2019 - $675,945) due to the Chief Executive ("CEO") and $40,895 (2019 - $118,645) due to the Interim Chief Financial Officer ("Interim CFO"). The balances due to related parties are unsecured, non-interest bearing and without fixed repayment terms.

Additionally, on May 14, 2014, the Company entered into an Independent Contractor Agreement (the "Agreement") with the CEO of the Company. According to the Agreement, the CEO will provide consulting services to the Company for one year with a compensation of $240,000 per year plus benefits. In addition, the CEO will be paid a cash bonus equivalent to 30% of the annual salary at the end of each year if the trading price of the Company shares increased by more than 30% from the trading price at the beginning of the year. For the purpose of this calculation, the starting trading price is $0.25 per share. The CEO will also be granted stock options for 1,000,000 shares at a price of $0.25 per share (granted). Finally, if the Company's market capitalization exceeds $200 million USD, the CEO will be paid an additional cash bonus of $500,000. The terms of the CEO agreement are on year-to-year basis unless terminated accordance to the terms and conditions set forth in the agreement. According to the Agreement, the Company engaged CEO service to provide important services that include develop and direct the corporate strategy, resource allocation, review acquisitions or partnerships, drive or generate revenue growth, hire, and retain staff as necessary, support in capital raise rounds, manage past relationships and build business and collaborations.

Despite this provision in the Agreement, the Company has not compensated the CEO with a cash bonus based on these trading price calculations. The Company and the CEO are considering an alternate form of executive compensation arrangement, different than the Agreement, to better reflect the current stage of the Company and industry comparable.

5. Long-Term Investments

On June 3, 2020, the Company entered into a license agreement with Bio-Stream Diagnostics Inc. ("Bio-Stream") to provide Bio-Stream with the right to use one of its patents registered to the Company for a one-time cash fee of $10. Bio-Stream was incorporated in the province of Alberta on June 1, 2020 by the Company, Stream - ML Technologies Inc., Merogenomics Inc., and Gamble Technologies Limited. The Company obtained 45% of Bio-Stream's issued and outstanding common shares upon incorporation, and the Company's CEO has been appointed as one of the four directors. Bio-Stream was formed to focus on developing and providing a low-cost COVID-19 detection solution in less-than-30 seconds.

(Stated in Canadian Dollars)

6. Right-of-use Asset and Lease Liability

Right-of-use Asset

	Office Lease
Cost:	$
At March 31, 2019	-
Adjustment on initial adoption of IFRS 16 (Note 3)	18,851
At December 31 and March 31, 2020	18,851
Depreciation:	$
At March 31, 2019	-
Depreciation	11,906
At March 31, 2020	11,906
Depreciation	6,945
At December 31, 2020	18,851
Net book value:	$
At March 31, 2019	-
At March 31, 2020	6,945
At December 31, 2020	-

Depreciation of the right-of-use asset is calculated using the straight-line method over the remaining lease term.

Lease Liability

	Office Lease
	$
Lease liability recognized as at April 1, 2019	22,610
Lease payments made	(15,150)
Interest exchange adjustment	1,204
At March 31, 2020	8,664
Lease payments made	(8,838)
Interest exchange adjustment	174
At December 31, 2020	-

7. Share Capital

a) Authorized
Unlimited common shares, without par value.

b) Issued

Common shares issued and outstanding – see consolidated Statements of Changes in Equity.

7. Share Capital (continued)

b) Issued (continued)

During the year ended March 31, 2019, the Company closed a non-brokered private placement of 2,221,000 units at $0.10 per unit for total consideration of $222,100. Each unit is composed of one common share and one-half of a share purchase warrant. Each warrant will entitle the holder to acquire one share at a price of $0.15 per share for a period of two years. The Company used the residual value method to allocate proceeds of the unit amongst the common share and the share purchase warrant. A value of $0.05 per warrant was allocated to the contributed surplus for a total amount of $111,050.

On April 19, 2019, the Company closed a non-brokered private placement of 2,000,000 units at $0.10 per unit for total consideration of $200,000, of which $7,400 has been allocated to the share purchase warrants using the residual value method. Each unit is composed of one common share and one share purchase warrant. Each warrant will entitle the holder to acquire one share at a price of $0.20 per share for a period of two years. Of the 2,000,000 units, 370,000 units were issued to settle outstanding debt with the CEO of $37,000.

On June 17, 2019, the Company issued 1,000,000 common shares at $0.165 per share to settle outstanding debt with the CEO and interim CFO of $150,000, a loss on settlement of debt in the amount of $15,000 has been recognized.

On December 13, 2019, the Company closed a private placement of 2,031,157 units at $0.30 per unit for total consideration of $609,347 of which $81,246 has been allocated to the share purchase warrants using the residual value method. Each unit is composed of one common share and one-half share purchase warrant. Each warrant will entitle the holder to acquire one common share at a price of $0.45 per share for a period of two years. In connection with the private placement, the Company paid finder's fees of $9,600 cash and issued 32,000 share purchase warrants at a fair value of $4,845.

On December 13, 2019, the Company issued 200,000 units consisting of one common share and one-half share purchase warrant for the settlement of $60,000 of outstanding debt with the CEO and interim CFO. Each warrant will entitle the holder to acquire one common share at a price of $0.45 per share for a period of two years. The Company has allocated $8,000 to the share purchase warrants using the residual value method.

During the year ended March 31, 2020, the Company issued 19,998 common shares at a price per share of $0.30 for a total amount of $5,999 to consultants for services.

During the year ended March 31, 2020, the Company issued 2,047,455 common shares from the exercise of share purchase warrants for gross proceeds of $307,119.

(Stated in Canadian Dollars)

7. Share Capital (continued)

c) Stock Options:

The Company's current stock option plan (the "New Stock Option Plan") was last approved by the shareholders on December 20, 2019. Pursuant to the Existing Plan, the maximum number of common shares of the Company which may be authorized for reservation for the grant of options from time to time shall be 10% of the Company's then issued and outstanding common shares. The plan provides for the granting of options to directors, employees and consultants. The Board of Directors determines the features of the awards, including the exercise price, the term and vesting provisions, provided no stock options will have a term exceeding five years.

On September 15, 2017, the Company granted 1,400,000 stock options to directors, officers, consultants, and employees. Stock options granted to a consultant (300,000) can be exercised at $0.15 per share until September 15, 2018. The fair value of the stock options is $6,334. Stock options granted to directors, officers, and consultants (1,100,000 options) vest at 25% at the date of grant and 25% every six months thereafter. These stock options can be exercised at $0.15 per share for a period of three years. The fair value of the vested options was $20,656. The stock options granted to a consultant (300,000) were cancelled during the 2018 fiscal year.

On December 31, 2019, the Company granted 3,735,000 stock options to directors, officers, consultants and employees. These options can be exercised at $0.30 per share until December 31, 2024. The fair value of the stock options is $847,282.

On December 31, 2019, the Company granted 60,000 stock options to consultants. These options can be exercised at $0.30 per share until December 31, 2021. The fair value of the stock options is $8,613.

On June 9, 2020, the Company granted 150,000 stock options to consultants. These options can be exercised at $0.30 per share until June 9, 2022. The fair value of the stock options is $12,602.

The Company used the Black-Scholes option pricing model with weighted average assumptions and resulting values for grants as follows:

	2020	2019
Assumptions:		
Weighted average share price	$0.30	$0.23
Weighted average risk free interest rate *(%)*	0.28%	1.66%
Expected life *(years)*	2 years	5 years
Weighted average expected volatility *(%)*	140%	131%
Expected dividend	Nil	Nil
Expected forfeiture rate	Nil	Nil

(Stated in Canadian Dollars)

7. Share Capital (continued)

c) Stock Options (continued):

Information regarding the Company's outstanding share purchase options is summarized below:

	Expiry date	Number of options outstanding	Exercise price
Balance, March 31, 2019		4,675,000	$0.22
Granted	December 31, 2021	60,000	$0.30
Granted	December 31, 2024	3,735,000	$0.30
Expired	October 31, 2019	(3,325,000)	$0.25
Balance, March 31, 2020		5,145,000	$0.26
Granted	June 9, 2022	150,000	$0.30
Expired	September 15, 2020	(550,000)	$0.15
Exercised	September 15, 2020	(550,000)	$0.15
Cancelled	June 9, 2022	(100,000)	$0.30
Balance, December 31, 2020		4,095,000	$0.29

The number of options exercisable as at December 31, 2020 is 4,095,000 (2019 – 5,145,000 options). The weighted average life remaining for these options was 3.77 years and weighted average exercise price was $0.29 per option.

d) Warrants:

Information regarding the Company's outstanding warrants is summarized below:

	Expiry date	Number of warrants outstanding	Number of warrants exercisable	Exercise price
Balance, March 31, 2019		5,461,955	5,461,955	$0.15
Expired	June 29, 2019	(2,304,000)	(2,304,000)	$0.15
Exercised	June 29, 2019	(1,110,955)	(1,110,955)	$0.15
Exercised	September 20, 2019	(936,500)	(936,500)	$0.15
Issued	April 19, 2021	2,000,000	2,000,000	$0.20
Issued	December 14, 2021	1,147,579	1,147,579	$0.45
Balance, March 31, 2020		4,258,079	4,258,079	$0.25
Exercised	October 4, 2020	(1,110,500)	(1,110,500)	$0.15
Balance, December 31, 2020		3,147,579	3,147,579	$0.29

8. Financial Instruments

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – Inputs that are not based on observable market date.

The following table sets forth the Company's financial assets measured at fair value on a recovering basis by level within the fair value hierarchy:

	Level 1	Level 2	Level 3	December 31, 2020
	$	$	$	$
Cash	357,456	-	-	357,456

Credit risk
The Company is not exposed to credit risk.

Interest rate risk
Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

Liquidity risk
The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

The Company intends to meet its current obligations in the following year with funds to be raised through private placements, shares for debt, loans and related party loans.

9. Capital Risk Management

The Company defines its capital as shareholders' equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its technologies and to maintain a flexible capital structure for its projects for the benefit of its shareholders. As the Company is in the development stage, its principal source of funds is from the issuance of common shares.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash. The Company is not subject to externally imposed capital requirements.

10. Commitments

a) The Company is committed to an office lease for its office in Richmond, British Columbia expiring on October 2023. Minimum lease payments of $11,805 annually are required until October 2023.

b) The Company is committed to an Independent Contractor Agreement with the CEO as described in Note 4.

c) The Company is committed to a General Service Agreement with Biomark Technologies Inc. as described in Note 4.